

Quantifying Utah's Recent Job Losses

The worst of the current economic downturn now appears to be behind Utah and the nation. August 2009 seems to have been the employment low point. Over the past year (from August 2008 to August 2009), Utah's economy contracted by over 73,000 jobs.

With the possible exception of the Great Depression (of which we do not have official employment counts), Utah's economy has never contracted by this many jobs. The national economic downturn has been both powerful and pervasive, severely hitting at capitalism's heart and soul—its credit markets. Employers were quite aggressive in scaling back employment in response to the sharp downturn in economic demand. Utah was no exception.

The amount of job loss over the past year is greater than any amount of job creation Utah experienced in a year's time. Utah's best 12 months of job growth occurred between June 2005 and June 2006, when 62,500 jobs developed.

But just like the 73,000 12-month job loss by August 2009, that represents an extreme. Average 12-month job growth since 1995 has been more along the lines of 23,000. If Utah were to return to this average, it would take over three years for the Utah economy to recoup the same number of jobs it had before this current downturn began. Considering that it may take a portion of 2010 just to stabilize further job losses, it will take longer than three years to recapture these jobs.

Utah's last economic expansion began in July 2003, lasting for five years. It peaked in 2008 with total job creation of over 180,100. The current downturn has removed over 70,000 of those jobs, roughly 39 percent of the jobs gained in that expansion.

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Did you know...

- Utah's unemployment rate and job losses continue to climb. <http://www.deseretnews.com/article/705360024/Utah-jobless-rate-rises-to-67.html>
- Utah home sales are up, but prices are still going down. http://www.sltrib.com/business/ci_14278818
- Utah had the fifth-worst rate of foreclosure filings among the states in 2009. <http://www.deseretnews.com/article/705358390/Foreclosures-soaring-in-Utah.html>